



**Division of Child Care and Early
Childhood Education**
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Health and Nutrition Programs



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August 4, 2014

MEMO

TO: All Sponsors/Providers in Special Nutrition Program Effective Immediately

Greetings from the Health and Nutrition Team!

This email is to address two changes within the Health and Nutrition Unit.

The first change is audit reimbursements. Beginning August 04, 2014, DHS Health and Nutrition Unit will no longer reimburse direct cost for audit expenses.

DHS requires yearly audits for programs receiving \$100,000 or more in any fiscal year. As a reminder the cost of the yearly audit is an allowable expense under program operations. Please make sure that you include the audit as a line item within your program budget for the fiscal year.

The second change to the state's procedures is beginning October 1, 2014. All programs including not-for-profit, for-profits, and governmental entities that participate in the USDA Food and Nutrition Service program and receive \$100,000 or more will be required to have an independent audit.

As a reminder, DHS Audit Guidelines require all audits to be submitted within 120 days of the end of the fiscal year. You may request an audit extension within 15 days of the 120 day timeframe. As a general rule, DHS Health and Nutrition does not grant extensions for late audits.